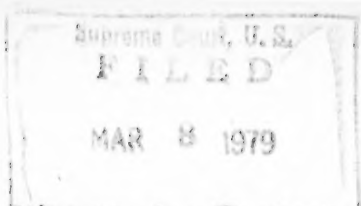


In The



Supreme Court of the United States

October Term 1978

No. 78-1150

ANNE D. NICKOLA,

Petitioner,

vs.

**KENNETH PETERSON d/b/a
KAYDEE PRODUCTS COMPANY,**

Respondent.

REPLY BRIEF FOR PETITIONER

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PETITIONER'S REPLY BRIEF

Now comes the Petitioner, Anne D. Nickola, and replies to the arguments first raised in the Respondent's Brief, in accordance with Rule 24 of the Rules of the Supreme Court, as follows:

The central issue of the Petition for Writ of Certiorari is who evaluates the evidence to determine facts in a patent jury case. The Petitioner submits that the jury determines facts and that the jurisdiction of the court is to determine the law. The Respondent's position appears to be that because validity is a question of law, the court determines facts, a position in complete conflict with the Seventh Amendment. The Respondent has raised in his Brief

several arguments that are either inconsistent with the facts in this case or the law pertaining to the Seventh Amendment.

Respondent's argument on Page 9 refers to the qualification in the Seventh Amendment that no fact tried by a jury shall be re-examined except "according to the rules of common law" and suggests that at common law the trial court could substitute its judgement of the facts for that of the jury under certain circumstances. This is not true. At the time the Seventh Amendment was adopted, the basic judicial control of the jury function was in the Court's power to order a new trial. In 1830, the Supreme Court stated:

"The only modes known to the common law to re-examine such facts, are the granting of a new trial by the court where the issue was tried, or to which the record was properly returnable; or the award of a venire facias de novo by an appellate court for some error of law which intervened in the proceedings." Parsons v. Bedford, 3 Pet (US) 448, 7 L Ed. 737

That retrial by a new jury rather than a factual re-evaluation by a court is a constitutional right of genuine value which was stated in Slocum v. New York Life Ins. Co., 228 US 364. The body of law that has grown around the practice of granting a motion for a directed verdict, or a motion for a Judgement NOV apply only to where the

party with the burden of proof, in this case the infringer, has failed to meet that burden by failing to provide evidence proving a necessary element to his case. Neither practice authorizes the court to find a factual basis for the missing necessary element by substituting his judgement for that of the jury.

There was massive evidence supporting validity, including the patent documents with their statutory presumption, the testimony of Anne Nickola, the evidence of the unexpected results by Respondent's witness, and the exhibit of the invention itself.

Respondent's principal argument is based upon the statement by the trial judge that (Page 17):

"The uncontroverted evidence before the court is that there is no cooperation between the elements in Plaintiff's (Petitioner's) claimed invention . . ."

The best evidence regarding this issue of fact was an exhibit of the invention itself. Such an exhibit, Exhibit 38, was physically examined by the jury. Exhibit 38 was received into evidence without objection, as noted on Page A57 of the Appendix to Nickola's Brief to the Sixth Circuit Court of Appeals. There was considerable testimony about the manner in which each of the components function both independently and cooperatively.

The trial court was aware of this exhibit because it was formally received

into evidence. The Appeals Court was aware of this evidence because the transcript referring to it was included in the Appendix in the record in the Appeals Court. Petitioner offers to produce this demonstrative exhibit for the Supreme Court should it decide to entertain this Petition, for the purpose of establishing its existence as evidence that its parts cooperate.

On Pages 20 to 22, Respondent argues that Interrogatories 3-6, which the jury answered favorable to the patent, are not material to validity because they relate to whether or not the result achieved by the invention was "unusual or unexpected".

This argument ignores the facts regarding the procedure adopted by the trial judge.

The trial court considered the issues raised by these Interrogatories as being material. The best evidence of this fact is the jury instructions where the court charged the jury as to the law of the case and the issues of fact "relevant to the validity of the patent". The jury was specifically charged (Pages 447-448 of the trial transcript):

"If you find that plaintiff's claimed invention produces a new or different result you will be asked to consider next whether a person of ordinary skill in the art would have found that result to be unusual and unexpected."

The court then asked the jury to determine in Interrogatories 3 and 6 whether the result achieved by the invention was "unusual and unexpected".

During final argument, counsel for both parties argued whether or not the result was "unusual and unexpected". Finally, the jury affirmatively answered that such results were unusual and unexpected.

The Appeals Court then stated that this issue was not pertinent to patentability, which completely ignores the fact that the charge to the jury is the "law of the case". Neither party objected to this instruction. If the jury was improperly charged, as Respondent's Brief suggests, then this is an error that can only be corrected by a new trial, not by the judge setting aside the verdict and deciding the facts.

On Page 22, Respondent argues that patent validity is a question of law, relying solely upon non-jury cases as authority. This was a jury trial. In a jury trial, the Seventh Amendment imposes limitations on the court's jurisdiction whereas in non-jury trials it does not.

Whether or not the differences between the patented invention and the prior art were obvious to a person skilled in the art in a jury case, was settled by the Supreme Court in Keyes v. Grant, 118 US 54, 58:

"In our opinion this was a question of fact properly to be left for determination

to the jury, under suitable instructions from the court upon the rules of law, which should guide them to the verdict."

This is the precise language employed by Petitioner's counsel in arguing before the Sixth Circuit Court of Appeals that questions of fact are for the jury, with proper instructions on the law by the court.

For some reason Keyes and the Seventh Amendment, were ignored by the Court of Appeals.

On Page 24, Respondent states that Petitioner's argument relating to the Seventh Amendment was untimely. This is not true. To justify setting aside the jury verdict, the trial court shifted the infringer's statutory burden of proof to the patent owner, Nickola. Then the trial judge determined that there was no evidence to support validity, the burden of the patent owner. On appeal, Nickola pointed out the abundant evidence in the record supporting all the issues of validity and raised as one of her appeal issues:

"Was there, as a matter of law, a total failure or lack of proof on any essential element of Plaintiff's case regarding the validity of the Nickola patent to justify the District Judge granting Judgement NOV?"

The Court of Appeals acknowledged the missing evidence by carefully

re-examining it (See A42-A45 of Petition) but circumvented the jury by approving the trial court's "findings of fact" as binding on appeal, see Page A35 of Petition for Writ of Certiorari. This opinion was in direct conflict with the literal language of the Seventh Amendment because it is the jury, not the court, that finds the facts. Nickola then petitioned for a re-hearing because the opinion of the Court of Appeals denied her rights guaranteed by the Seventh Amendment.

The law regarding Judgement NOV is grounded on limitations imposed by the Seventh Amendment. The Opinion of the Court of Appeals directly raised the issue of the Seventh Amendment. It then refused to comment on this denial of a basic constitutional right.

Conclusion

In every case reviewed by the Supreme Court in the last one hundred years concerning the condition of patent validity codified in 35 U.S.C. 103, the Court has stated that this condition depends upon facts. Such facts are properly submitted to the jury with appropriate instructions regarding the application of the law.

In this case, the jury did not believe the infringer's witnesses or accept any of his evidence regarding invalidity. Accordingly, there is a complete absence of any factual support in the jury's verdict to support the infringer's burden under 35 U.S.C. 282 that:

"The burden of establishing invalidity of a patent or any

claim thereof shall rest
on the party asserting it."

The trial court then substituted his judgement of the evidence for that of the jury to provide the necessary factual support for holding the patent invalid. In so doing, he exceeded his jurisdiction as limited by the Seventh Amendment of the United States Constitution, and followed a growing practice in many federal courts in the Third, Fifth, Sixth, and Seventh Circuits. Now is the time for the Supreme Court to restore the Seventh Amendment to jury trials in these courts.

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